



DEPARTMENT OF LABOR

Employment and Training Administration

Notice of Approval for South Carolina for Avoidance of 2012 Credit Reduction under the Federal Unemployment Tax Act

AGENCY: Employment and Training Administration, Labor.

ACTION: Notice.

SUMMARY: Sections 3302(c)(2) and 3302(d)(3) of the Federal Unemployment Tax Act (FUTA) provide that employers in a state that has an outstanding balance of advances under Title XII of the Social Security Act at the beginning of January 1 of two or more consecutive years are subject to a reduction in credits otherwise available against the FUTA tax for a calendar year, if a balance of advances remains at the beginning of November 10 of that year. Because the account of South Carolina in the Unemployment Trust Fund had a balance of advances at the beginning of January 1 of 2009, 2010, 2011, and 2012, and still had a balance of advances at the beginning of November 10, 2012, South Carolina employers were potentially liable for a reduction in their FUTA offset credit for 2012.

Section 3302(g) of FUTA provides that a state may avoid credit reduction for a year by meeting certain criteria. South Carolina applied for avoidance of the 2012 credit reduction under this section. Pursuant to delegation of authority to me under Secretary's Order 06-2010, I have determined that South Carolina meets all of the criteria of section 3302(g) and thus qualifies for credit reduction avoidance. Therefore, South Carolina employers will have no reduction in FUTA offset credit for calendar year 2012.

DATED: Signed in Washington, D.C., on this 7th day of December, 2012.

SIGNED:

Jane Oates,

Assistant Secretary for Employment and Training

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